उपसभापतिः सुन तो लीजिए। आप को कान का भी इस्तेमाल करना चाहिए।God Has given you too many faculties to hear and to speak, to listen also.

श्री साहिब सिंह वर्माः उपसभापति जी, आप ने सही कहा इन्होंने मेरी बात पूरी नहीं होने दी। मैंने यह कहा कि उस कांफरेंस में इस विषय पर चर्चा हुई थी और कुछ लोगों ने यह बात कही थी कि जो भी लेजिस्लेशन हम बनाना चाहते हैं, उस का ड्राफ्ट क्या होगा, उस त्रिपक्षीय वार्ता में उस के ऊपर चर्चा होनी चाहिए। यह आप ने कहा था, लेकिन जब हम इस को हाउस में डिस्कस करेंगे, डिटेल्ड डिस्कस करेंगे और जिन की आप बात कर रहे हैं, करीब-करीब सभी पार्टीज के रिप्रजेंटेटिव्स, डिफरेंट ऑर्गनाइजेशंस के रिप्रजेंटेटिव्स उस में हैं, फिर भी मैं माननीय सदस्य को बताना चाहता हूं कि हिंदुस्तान में जितने भी प्रमुख लेबर ऑर्गेनाइजेशंस हैं।

**145. [The questioner (DR. DASARINARAYANA RAO) was absent for answer vide page 27 infra.]*

Delay in pension reforms

*146. DR. C. NARAYANA REDDY: Will the PRIME MINISTER be pleased to state:

(a) whether it is a fact that Government intend to delay the Reformed Pension Plan;

(b) whether Government would announce the plan before the next Budget; and

(c) if not, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF PERSONNEL, PUBLIC GRIEVANCES AND PENSIONS (SHRIMATI VASUNDHARA RAJE): (a) to (c) Government do not intend to delay any reforms in the ongoing pension schemes.The Government had set up a High-Level Expert Group on Pensions.The Group, in its report submitted in February 2002, has recommended substantive modifications in the existing pension system for new entrants.The recommendations made by the Expert Group are being examined in their entirety through inter-Ministerial consultations.

DR. C. NARAYANA REDDY: Madam, Chairperson, hon. Minister in her reply has stated that the Report of High Level Expert Group on Pension is being examined through inter-Ministerial consultations. My question is: What are the basic changes that have been recommended by the Expert Group?

SHRIMATI VASUNDHARA RAJE: For that, I just like to go first to the present Pension Scheme. The present Pension Scheme is a defined benefit scheme for which employees actually make no contribution and the pensioner's liability is met from the Consolidated Fund of India. The present package of the retirement benefits, at the moment, is that, pension is computed at 50 per cent of average emoluments of the last 10 months of service. The minimum period of service for eligibility to pension is 20 years except for those retiring on superannuating pension after 10 years. Then, there is the commutation of pension. The Government servant can commute up to 40 per cent of his pension on retirement from1.1.1996. This commuted portion of the pension is restored after 15 years of the date of the payment of the commuted value. Then, there is the death-cum-retirement gratuity, which is payable at $16^{1}/2$ times the emoluments, depending on the qualifying service subject to a maximum of Rs. 3.5 lakhs. Now, emoluments, for this purpose, include basic pay as well as the dearness allowance. Now, there was a need for the transition because of the kind of expenses that are being incurred. At this moment, before even the Fifth Pay Commission happened, the liability, the outflow on pension has increased hugely. It has gone up from Rs. 3,272 crores in 1991 to Rs. 8,253 crores in 1996-97 and finally, to Rs. 22,410 crores in 2001 -02. After the report of the Pay Commission, the liabilities have naturally increased. Then, of course, there are a number of pensioners and their number is also increasing. This will also make that amount increase. The percentage increase, in the pension expenditure to revenue expenditure has gone up from 4.5 per cent in 1991 to 7.25 per cent now in 2001 -02. So, because of this, it Was felt necessary to introduce some kind of reforms and under the proposed scheme we have a contributory-defined benefit scheme. Here the scheme comprises basically of two tiers. One is mandatory one, where there will be matching contributions from both, that is, the employees as well as the employer. Then, there is an optional second tier that will be used to promote savings, and for, the second tier, a maximum matching contribution of 5 per cent is proposed from the Government. The average emoluments for pension are determined with reference to the emoluments drawn by a Government servant during the last 36 months of his service. So far, it was not there, it was the last ten months' emoluments. Now, the proposal is for 36 months. Then, the emoluments are to include the dearness allowance.

This is going to be clubbed. *(Interruptions)* No, no. He wanted to know the difference. So, I am giving him the difference, what difference is

there. In addition to the basic pay, the emoluments include dearness allowance. The increase in inflation will be kept at 5 per cent. No wage indexation has been recommended here and no addition to qualifying service has been recommended, because, in the earlier scheme, you could add five years to it. But, in this scheme, there is no addition, and pension will be payable only from the date of the superannuation.There is a second exit point, which has been provided here and that second exit point is after attaining the age of 50 years. The employee can either take the accrued pension then at 60 years or he can take an immediate pension which will be reduced according to our table.

THE DEPUTY CHAIRMAN: I think, after such an extensive answer, is there any scope to put any more supplementary?

DR. C. NARAYANA REDDY: Yes, yes. Madam, she has not touched upon the point which I am going to put. Madam, please bear with me.

THE DEPUTY CHAIRMAN: I will because, it is your right.

DR. C. NARAYANA REDDY: Madam, perhaps, the process of revision of pension scheme was started way back in 1998 and it has already taken four years for submitting the report. Now, as the hon. Minister has stated that the recommendations are being examined, I would like to know as to how long it will take to examine the recommendations and by when the Government is likely to take a decision on the implementation of those recommendations.

SHRIMATI VASUNDHARA RAJE: Madam, this came up for the first time in the Union Budget for 2001 -2002. It was announced at that time by the then Finance Minister in his speech. It also then came up after that in the Budget announcement for 2002-03 and a High Level Expert Group was set up on the 25th June, 2001. The Department of Personnel and Training got this report on the 22nd February, 2002, which is being examined.The proposed scheme is a complete departure from the existing scheme itself. The Group has recommended that the contributions may be invested in pension fund; This need not be within the public account and the liability on account of pension, computation o? pension ur family pension and inflation indexation, these are supposed to be met out of the investment. Now, these recommendations call for a very detailed actuarial exercise. *(Interruptions)* I wish you would listen to this, because it is

important. The recommendations call for a very detailed accounting process and actuarial exercise and any kind of mismatch between the fund management and the investment returns and the liability will need to be met by the Government. Now, the proposed pension scheme, in view of the structure, in view of the manner and in view of meeting the pension liabilities, will have huge ramifications. The ramifications are very big, and they have very far reaching implications. They require very detailed examination and they also require extensive inter-ministerial consultations. The process of this consultation has already been initiated and a view on this will be taken very quickly.

THE DEPUTY CHAIRMAN: Do you think it will take six months or more?

SHRIMATI VASUNDHARA RAJE: The Finance Ministry has to come back to us with a detailed report, every Ministry has to come back with a detailed report. And we have sent reminders. We will be waiting for all the information to come back, before we can formulate the scheme.

THE DEPUTY CHAIRMAN: She has given such an extensive answer. Question No. 147.... *(Interruptions)...*

SHRI DIPANKAR MUKHERJEE: So, no further supplementary questions?

THE DEPUTY CHAIRMAN: She has given all the answers to the supplementary questions. Question No. 147.

Strengthening of PDS infrastructure

147. SHRI LAJPAT RAI: Will the Minister of CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION be pleased to state:

(a) whether it is a fact that for the purpose of strengthening PDS infrastructure, trucks/vans are also provided to make available essential commodities in rural/hilly remote areas;

(b) whether Government subsidise the cost of such vehicles;

(c) if so, the amount paid during the last three years; and

(d) the number of such trucks/vans and in whose custody Centre/ State/Union Territory Governments these vehicles are being maintained?